## TRANSCRIFT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

January 25, 2001 LB 313

State Department of Education, at least in the area of an interest in establishing guidelines for merging or affiliating. There is a new list on your desk that was provided to us by the Department of Education, and when you look at the talking about it side, there are a number of proposed or talked about mergers and affiliations that probably have already fallen by the So that's sort of an update and why there was a concern about...about LB 313 and the effect it might have on the General Fund revenues of the state of Nebraska. Now moving into, there are two disagreements and since they affect both provisions of this bill; this bill provides...proposes to extend the program from August 1, 2001 to August 1, 2004, and also to accomplish the full level of payment of affiliations that are already in place, and an estimated amount for those that might be accomplished between now and 2004. It proposes to increase funding of \$5 million for next year, which will, in fact, allow the Department of Education to complete a number of incentive contract payments without having to adjust the amount of money, and to continue out into the future years those that are getting their base payment this year. They've already accomplished the reorganization. One percent of TEEOSA funds was the amount to be set aside in the original bill. program has attracted so much interest that the mergers and affiliations that are being accomplished across Nebraska are quite larger in number from what had originally been predicted by those who promoted this bill. I would cite for you that in 1997-98 there were three mergers, one unification; '98-'99, one merger, two unifications; '99-2000, seven mergers and three unifications; and 2000-2001, the minimum, 20 mergers affiliations. So you can see with that sort of response, if we are going to keep, we being the state of Nebraska, going to keep our word and encourage this sort of activity to continue into the future that we need to make some arrangements to continue the program. One of our members, and we will be getting to that in a moment, has taken some exception both, I think, to the continuation of the program and any amount of money being added to the program other than for the year 2000-2001, and we will get to that in a moment. The bill provides that the base year incentive program be increased from 2 million to 5 million dollars for 2001-2002; simply put that's because there will not be enough money to continue giving second- and third-year